

## Trade with U.S. Regions

As the destination of over 87% of Canadian merchandise exports and the source of two-thirds of Canadian goods imports, the United States and its various regions merit special attention.

Subdividing the United States into four regions (the South, West, Midwest and Northeast), along the lines of the U.S. Bureau of Economic Analysis groupings, allows for a more focused examination of trade trends. Canadian exports to the U.S. expanded by an average of 10.1% *per annum* from 1988 to 2001. Although exports to all four regions expanded in this period, exports to the West and the South grew faster than the overall pace and, consequently, captured increasing shares. At the same time, the Northeast and Midwest experienced declines in their relative importance as a destination for Canadian exports (Table 4). Despite its relative decline in importance, the Midwest remains the most important destination for Canadian exports to the U.S., accounting for 41.0% of overall exports to that country in 2001.

With respect to Canadian imports from the United States, imports from the West expanded at a level commensurate with overall Canadian import growth and therefore maintained their share (about 11%) between 1988 and 2001. On the other hand, imports from the U.S. Northeast and U.S. Midwest grew at a slower rate than the overall Canadian average and therefore declined in relative importance. It was Canadian imports from the U.S. South that expanded their share of total Canadian imports over this period. Again, as was the case for exports, although the share of imports from the Midwest declined from 47.7% in 1988, it still accounted for 43.1% of imports in 2001.

The dominant role that the U.S. Midwest plays in Canadian trade is largely attributable to the importance of motor vehicle trade with this region (Table 5). Motor vehicles are neck and neck with machinery as the largest traded commodity between Canada and the United States. However, whereas trade in machinery is more evenly distributed across the four U.S. regions (although still favouring the Midwest), Canada-U.S. motor vehicle trade is highly skewed in favour of the Midwest. Buttressing this dominance is the fact that the largest

**Table 4: Distribution of Canadian Trade with United States Regions, 1988 and 2001**

	Exports (% share)		Imports (% share)	
	1988	2001	1988	2001
Northeast	30.8	23.2	21.9	18.5
Midwest	45.6	41.0	47.7	43.1
South	12.6	16.8	17.2	25.4
West	10.7	17.2	10.7	11.2
Other U.S. territories	0.3	1.8	2.5	1.8
Total	100.0	100.0	100.0	100.0

Source: Statistics Canada

share of Canadian exports of mineral fuels (the second largest of Canada's three principal export commodities to the U.S.) is also shipped to the Midwest.

The importance of the U.S. South for both Canadian exports and imports has been rising in recent years. This region has become increasingly significant as a recipient of Canadian exports of mineral fuels and machinery. From 1988 to 2001, the share of Canadian mineral fuels exports to this region rose from 3.5% to 10.0%, while the share of machinery exports climbed from 20.4% to 26.0%. Motor vehicle exports to the region accounted for about 4.6% in both 1988 and 2001.

The U.S. South has also become an increasingly important source for all three of Canada's top import commodities. Between 1988 and 2001, the South increased its share of Canadian imports of motor vehicles from 10.2% to 18.7%. Meanwhile, its share of machinery imports rose from 15.7% to 23.2%, and its share of electrical machinery and electronics imports jumped from 23.3% to 33.8%.

The U.S. West also became more important for both Canadian imports and exports over 1988-2001. In fact, the region's share of Canadian exports surpassed the share accounted for by the

U.S. South in 2001. The region became increasingly important as a destination for Canadian exports of motor vehicles and machinery: from 1988 to 2001, its share of Canadian exports of motor vehicles increased from 3.1% to 15.1%, and its share of shipments of machinery rose from 8.6% to 16.0%. The region is the destination for about one-quarter of all mineral fuels exports to the United States. As a source for Canadian imports from the U.S., the West saw only marginal changes in its share of motor vehicle and machinery imports, while its share of electrical machinery and electronics imports increased from 11.3% to 16.9%.

Lastly, although the Northeast still accounts for almost one-quarter of Canada's exports to the U.S. and almost one-fifth of imports from the U.S., it has become less important on the Canadian trade radar screen. The share of Canadian exports of mineral fuels and machinery to the U.S. Northeast saw modest declines from 1988 to 2001, while the region's share of Canadian motor vehicle exports fell from 22.2% to 6.6%. On the imports side, the Northeast saw its share of all three of Canada's major import commodities decline during the period—from 11.3% to 5.3% for motor vehicles, from 19.2% to 15.4% for machinery, and from 33.0% to 23.4% for electrical machinery and electronics.

**Table 5: Canada's Top Three Import and Export Commodities in United States Trade**

Canadian Exports to the United States as per cent share, 2001					
Rank	Commodity	Northeast	Midwest	South	West
1	Motor vehicles	6.6	73.7	4.6	15.1
2	Mineral fuels	25.8	37.6	10.0	26.6
3	Machinery	18.6	39.4	26.0	16.0

  

Canadian Imports from the United States as per cent share, 2001					
Rank	Commodity	Northeast	Midwest	South	West
1	Motor vehicles	5.3	73.1	18.7	2.9
2	Machinery	15.4	50.3	23.2	10.8
3	Electrical Machinery/Electronics	23.4	25.3	33.8	16.9

Source: Statistics Canada

## Setting the tone for Montreal

# Canadian food products win gold at SIAL Paris

The **International Food Products Exhibition (SIAL)**, held in Paris in October 2002, attracted 41 Canadian companies—the largest-ever Canadian pavilion at SIAL. The 5,240 exhibitors from 98 countries were visited by 135,000 food and drink industry professionals, half of them from outside of France. According to Denis Paradis, Secretary of State (Latin America and Africa) (Francophonie), representing Lyle Vanclief, Minister of Agriculture and Agri-Food, SIAL was "the forum of choice for showcasing the latest innovations in agri-food products."

Two Canadian companies attracted particular attention: **Loblaws Brands Ltd.** received the 'Global SIAL d'Or' award for its Easy-Carve semi-boneless turkey with cranberry stuffing—the first time a Canadian product has won such an honour. The other company, **La Face Cachée de la Pomme**, was honoured for its ice cider, Neige, in the 'Trends and Innovations' category.

In addition, Jean Soulard, chef at the Fairmont Château Frontenac in Quebec City, did an outstanding job showcasing Canadian products, preparing delectable treats for visitors to the



Raymond Chrétien (left), Canada's Ambassador to France, with Hervé Gaymard, French Minister of Agriculture, Food, Fisheries and Rural Affairs, at the official opening of the Canadian pavilion at SIAL 2002 in Paris

Canadian pavilion and participants in the networking activity organized for Canadian exhibitors and major international buyers.

## Get connected

# ITU Telecom World 2003

**GENEVA, SWITZERLAND** — October 12-18, 2003 — The **International Telecommunications Union (ITU) Telecom World 2003** is the most important and influential event in the telecommunications sector. Exhibitors will have the opportunity to display their latest technology from the telecommunications, information technology and audio-visual entertainment fields to over 200,000 professional visitors.

The Department of Foreign Affairs and International Trade (DFAIT) and Industry

Canada invite Canadian companies to exhibit at the Canadian pavilion. Exhibitors can take advantage of a spacious lounge, meeting rooms, communications facilities, and a press office.

**For more information**, go to [www.dfait-maeci.gc.ca/trade/missions/oltm/menu-en.asp](http://www.dfait-maeci.gc.ca/trade/missions/oltm/menu-en.asp) or contact Ouafaa Douab, Industry Canada, tel.: (613) 990-4216, e-mail: [douab.ouafaa@ic.gc.ca](mailto:douab.ouafaa@ic.gc.ca) or Louise Giguère, DFAIT, tel.: (613) 996-1892, e-mail: [louise.giguere@dfait-maeci.gc.ca](mailto:louise.giguere@dfait-maeci.gc.ca) \*

SIAL was also the venue for the launching of the 'Canadian Corner in France' pilot project. The purpose of the project is to position Canadian products in France's large food retail stores. To date, 127 products from 27 companies have been pre-selected and were on display at the event.

## EUROPE

The exhibition also afforded Canadian companies the opportunity to meet individually with some 30 trade commissioners and commercial officers from Canadian missions in Europe, the Maghreb and the Middle East to discuss opportunities in other markets.

The Canadian pavilion received a steady stream of visitors, enabling Canadian exhibitors to show their products to a large number of people. Preliminary estimates place Canada's on-site sales at approximately \$2 million, and sales for the 12 months following SIAL are expected to reach nearly \$10 million.

This augurs well for the next event, **SIAL-Montreal**, to be held from **April 2 to 4, 2003**. For more information, go to [www.sial.fr/planisphere\\_uk.htm](http://www.sial.fr/planisphere_uk.htm) \*

# SIAL Montreal 2003

**MONTREAL** — April 2-4, 2003 — **SIAL** is the premier exhibition for professionals in the North American food, beverage, wine and spirits sectors, and organizers anticipate the participation of 800 exhibitors (680 in 2001) from 50 countries (40 in 2001) and an expected attendance of 15,000 visitors (12,500 in 2001).

Arriving from various posts around the world, more than 50 officers from DFAIT's Trade Commissioner Service will be in attendance to make Cana-

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